



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

January 13, 1976

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MEMORANDUM FOR: JACK MARSH  
BRENT SCOWCROFT  
FROM: DONALD G. OGILVIE (signed) Don  
SUBJECT: Intelligence Organization Options

Attached are two papers you requested after the Saturday meeting with the President addressing the modified Option 4 proposal to create a new Executive Committee for Intelligence and the possible transfer of CIA's technical research and development programs to DOD. A meeting of the Intelligence Organization Study Group was held yesterday to elicit views on both subjects. The papers reflect agency staff comments, but no attempt has been made to obtain formal agency coordination.

Attachments

Not referred to OMB. Waiver applies.

SECRET ATTACHMENTS

MODIFIED OPTION 4

CREATE NEW EXECUTIVE COMMITTEE FOR INTELLIGENCE

Background

Coordination and decision-making in intelligence is now conducted by a wide network of committees. These include three chaired by the DCI: the U.S. Intelligence Board (USIB) which examines requirements and production, two Executive Committees (ExCom's) which review satellite programs, the Intelligence Resource Advisory Committee (IRAC) which reviews programs and budgets. The NSC Intelligence Committee (NSCIC) chaired by the National Security Advisor studies relationships between intelligence customers and producers of intelligence. The USIB and ExCom's have proved useful, but the IRAC and the NSCIC have had little impact.

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The DCI proposal would establish a single Executive Committee for Intelligence (ExCom(I)) to replace the four existing committees. This ExCom(I) would be chaired by the DCI, would include the Deputy Secretaries of Defense and State and would absorb the functions of intelligence requirements, resource allocation, product evaluation and producer/consumer relations. Unresolved differences among ExCom(I) members would be brought to the President for resolution. Production of intelligence would be excluded from the ExCom(I) and assigned to a National Intelligence Board advisory to the DCI. This proposal could be implemented by Executive Order and within the current organizational framework.

Implications:

- ° Centralized review of intelligence. The role of the DCI would be enhanced as all major policies and programs would be addressed and resolved through the ExCom(I). This arrangement permits crosscutting reviews of major intelligence functions and a single examination of the balance between collection and production against priority needs.
- ° Program and resource review. The independent resource reviews now conducted by each agency -- DOD, CIA, State as well as the two ExCom's -- would be

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replaced by a single review conducted by the ExCom(I). This reduces the authority of each agency head over the resources currently directly under his control, but increases his influence through the ExCom(I) over programs and resources outside his agency. Thus, CIA and State would review Defense intelligence programs and vice versa. This could reduce the responsiveness of agency activities to perceived agency needs.

- ° Presidential decisionmaking. The President would be more directly involved in intelligence policy decisions and management. This could, however, become a time consuming task if the President is required to resolve a large number of issues on which the ExCom(I) cannot reach agreement.
- ° Intelligence consumers. Today there is little independent customer evaluation of intelligence product. Establishing a single committee under the DCI will not provide this desired capability. Intelligence customers in the areas of economic policy (Treasury) and nuclear matters (ERDA) are not voting members of the ExCom(I).
- ° Role of State. State would address the foreign policy implications of the intelligence program. On the other hand, as a voting member of the ExCom(I), State would have a sizable voice in programs and resources affecting areas in which they have limited direct responsibility. Further, this could be considered a precedent for State review of the entire Defense program.
- ° Role of intelligence analysts. Intelligence requirements, now strongly influenced by intelligence analysts through the USIB, would be more closely aligned with the intelligence collectors and the resource review process. The analysts may lose influence over collection and the collectors, in turn, may become less responsive to substantive intelligence needs.

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- ° Product quality. This proposal would not change the way in which intelligence analyses are produced. However, closer working relationships among the three major intelligence agencies through the ExCom(I) could improve the product. On the other hand, looser ties between collectors and producers of intelligence and the diminished consumers role could adversely impact product quality.

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TRANSFER CIA'S TECHNICAL RESEARCH AND  
DEVELOPMENT PROGRAMS TO DEFENSE

Background

Currently CIA participates in the development and procurement of some satellite and SIGINT programs, either through the NRO [redacted] or independently [redacted]. This involvement has fostered a spirit of competition between CIA and Defense, primarily the Air Force. In general, the operational systems produced have been highly successful. CIA, in particular, has demonstrated technological innovation in such programs as the U-2, [redacted] and reconnaissance satellites.

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The issue is whether to transfer these CIA research and development programs (including system procurement) to the Department of Defense. Under this proposal, all overhead satellite and SIGINT development would be transferred to Defense, though the DCI would remain chairman of the NRO ExCom.

Implications

- ° Program management. The proposal could provide some efficiencies in program management though they are difficult to quantify. Present arrangements that generate some competition between system developers in CIA, the Air Force, and other intelligence agencies would be altered, and the range of technical alternatives explored could be reduced.
- ° Resource priorities. Defense and DCI priorities sometimes differ. In particular, tactical intelligence needs, which satellites can increasingly satisfy, are growing in importance and may be better integrated under single DOD management. On the other hand, intelligence issues that the DCI sees as important may be given less attention in the allocation of resources.

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